Alberta Minimum Wage Profile April 2013 - March 2014

Alberta

Introduction

The Alberta Minimum Wage Profile presents current information on minimum wage earners in Alberta and other provinces. Statistics include the percentage of employees¹ earning minimum wage in each province plus the characteristics of Alberta minimum wage earners².

The profile is based on minimum wage rates that are effective for two reference periods: April 1, 2012 to March 31, 2013 and April 1, 2013 to March 31, 2014.

Interprovincial Analysis

Over the two reference periods, Alberta's minimum wage rose from \$9.75 on September 1, 2012 to \$9.95 on September 1, 2013. The number of employees earning minimum wage in Alberta decreased over the two reference periods from 29,300 to 25,700 or from 1.8% to 1.5%, the lowest percentage of minimum wage earners among Canadian provinces. For Canada, the proportion decreased between the two periods to 6.8% from 7.0% as provinces raised their minimum wages (Figure 1, 3).

Between March 31, 2013 and March 31, 2014, four provinces raised their minimum wage rates (Figure 2).

Four provinces have scheduled increases to their minimum wage rates in 2014. Figure 4 shows a summary of upcoming minimum wage increases in 2014 (For more information, see Appendix B).

Beginning October 2014, Alberta's after tax minimum wage at \$8.83 will rank second highest after Ontario's \$9.52 (For more information, see Appendix C).

Figure 1: Percentage of Employees Earning Minimum Wage

	April 2012 - March 2013	April 2013 - March 2014
Alberta	1.8%	1.5%
Canada	7.0%	6.8%

Figure 2: Provinces with Increases in Minimum Wage between March 31, 2013 and March 31, 2014

Province	March 31, 2013	March 31, 2014
Quebec	\$9.90	\$10.15
Manitoba	\$10.25	\$10.45
Nova Scotia	\$10.15	\$10.30
Alberta	\$9.75	\$9.95

Figure 3: Percentage of Employees Earning Minimum Wage by Province

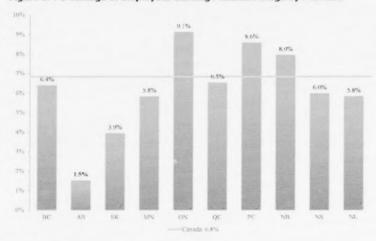


Figure 4: Provinces with Upcoming Minimum Wage Increases

Province	Minimum Hourly Wage Rate as of March 31, 2014	New Minimum Hourly Wage Rate	Effective Date
Ontario	\$10.25	\$11.00	June 1, 2014
Quebec	\$10.15	\$10.35	May 1, 2014
Newfoundland and Labrador	\$10,00	\$10.25	October 1, 2014
Saskatchewan	\$10.00	\$10.20	October 1, 2014

See definition in Appendix A
The analyses in this profile excluded 543,400 individuals
who were self-employed, unpaid family workers or who
worked more than 44 hours per week.

⁻ San definition in Annuality &

Alberta Analysis

In Alberta, between April 2013 and March 2014, the summary profile of a minimum wage earner was as follows:

- 15-19 years old
- employed full-time
- in permanent employment
- non-union employee
- less than one year job experience
- in Accommodation and Food Services
- in Sales and service occupations, n.e.c.³
- some high school
- female

At 35.3%, the 15 to 19 year old group remained the largest group of Alberta's minimum wage earners, and the 20 to 24 year old group was the second largest in the April 2013 to March 2014 period (Figure 5).

The proportion of minimum wage earners increased for the following five age groups in the April 2013 – March 2014 period compared to the April 2012 – March 2013 period: 20 to 24 years, up 0.8 percentage points; 25 to 29 years, up 6.3 percentage points; 30 to 34 years, up 1.1 percentage points; and 55 years and over, up 2.2 percentage points. There were proportionately fewer minimum wage earners in all other age groups except 45 to 49 years which was unchanged in the current reference period compared to the previous period (Figure 5).

In contrast to the previous 12 month period, just over half, or 51.2%, of minimum wage earners worked full-time between April 2013 and March 2014 (Figure 6).

As in the previous reference period, a larger proportion, or 67.0% of minimum wage earners were in permanent employment (Figure 7).

Over 95% of Alberta's minimum wage earners were non-union employees.

Compared to the previous period, the proportion of unionized employees earning minimum wage decreased by 4.7 percentage points in the April 2013 to March 2014 reference period (Figure 8).

Figure 5: Proportion of Alberta Minimum Wage Earners by Age (years)

	April 2012 - March 2013	April 2013 - March 2014
15-19	41.8%	35.3%
20-24	16.3%	17.1%
25-29	5.9%	12.2%
30-34	5.4%	6.5%
15-39	5.8%	4 9%
10-41	7 (%	4 9%
45-49	5.2%	5 29%
50-54	4.5%	3.7%
55+	8.0%	10.2%
Total	100.0%	1(8):0%

Figure 6: Proportion of Alberta Minimum Wage Earners by Type of Work

	April 2012 - March 2013	April 2013 - March 2014
Fall-Time	46.0%	51.2%
Part-Time	54.0%	48.8%
Total	100.0%	100.0%

Figure 7: Proportion of Alberta Minimum Wage Earners by Job Permanence

	April 2012 - March 2013	April 2013 - March 2014
Permanent	72.6%	67.0%
Temporary*	27.1%	33.0%
Total	100.0%	100 (%)

^{*}Includes seasonal, temporary, and casual employees,

Figure 8: Proportion of Alberta Minimum Wage Earners by Union Status

	April 2012 - March 2013	April 2013 - March 2014
Non-Union Employee	91 (%)	95 9%a
Union Member	8.2%	3 5%
Covered by Collective Agreement, Not Member	0.8%	0.6%
Total	100.0%	100.0%

Not elsewhere classified

Of all minimum wage earners, 50.8% had less than one year of job tenure in the April 2013

March 2014 reference period. The proportion that had one to five years of job tenure was 35.0%, which was lower than the 37.4% in the previous reference period. Overall, the proportion of minimum wage earners who had job tenure of five years or less decreased from 86.1% in the previous period to 85.8% in the current reference period (Figure 9).

Between April 2013 and March 2014, less than half, or 49.7%, of Alberta's minimum wage earners were employed in two industries: Retail Trade and Accommodation and Food Services. Another 11.9% of Alberta's minimum wage earners were employed in Other Services⁴ (Figure 10).

Between April 2013 and March 2014, more than half of Alberta minimum wage earners worked in the following three occupational groups: Sales and service occupations n.e.c.⁵, 26.8% Retail salespersons, sales clerks, cashiers, including retail trade supervisors, 19.3%; and Chefs, cooks, and food and beverage service, including supervisors, 16.2% (Figure 11).

Of all Alberta minimum wage carners over the April 2013 to March 2014 period, 34.4% had some high school as their highest level of education and 27.5% had high school diplomas as their highest level of education. The proportion with less than high school was slightly larger in the current period, at 38.2%, compared to the previous period, at 36.0% (Figure 12).

Females made up 60.5% of the minimum wage earners in Alberta in the current reference period, which is lower than the 67.1% in the previous period. The proportion of male minimum wage earners from April 2013 to March 2014 was 39.5% (Figure 13).

This sector comprises establishments, not classified to any other sector, primarily engaged in repairing, or performing general or routine maintenance, on motor vehicles, machinery, equipment, and other products to ensure that they work efficiently; providing personal care services, funeral services, laundry services, and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities; supporting various causes through grant-making, advocating (promoting) various social and political causes, and promoting and defending the interests of their members. Private households are also included.

Figure 9: Proportion of Alberta Minimum Wage Earners by Job Tenure

	April 2012 - March 2013	April 2013 - March 2014
Less than One Year	48.7%	50.8%
One to Five Years	37.4%	35.0%
More than Five Years	13.9%	14.2%
Total	100.0%	100.0%

Figure 10: Proportion of Alberta Minimum Wage Earners by Industry

	April 2012 - March 2013	April 2013 - March 2014
Accommodation and Food Services	29.5%	28.8%
Retail Trade	26.3%	20.9%
Other Services (except Public Administration)	10.1%	11.9%
Information, Culture and Recreation	8.5%	8.4%
Educational Services	3.8%	5.0%
All Other Industries	21.9%	25.1%
Total	100 0%	100.0%

Figure 11: Proportion of Alberta Minimum Wage Earners by Occupation

27.5%	
27.370	26.8%
24.6%	19.3%
10.7%	16.2%
9.4%	4.7%
2.9%	4.8%
25.0%	28 3%
100.0%	100 0%
	9.4% 2.9% 25.0%

Figure 12: Proportion of Alberta Minimum Wage Earners by Highest Educational Attainment

	April 2012 - March 2013	April 2013 - March 2014
0-8 Years (Elementary)	1.4%	3.8%
Some High School	34 6%	3.1.4%
High School Graduate	23.9%	27.5%
Some Post-Secondary	10.0%	8.00
Post-Secondary Certificate or Diploma	16.7%	17.1%
University Degree	13.4%	9.2%
Total	100.0%	100.0%

Figure 13: Proportion of Alberta Minimum Wage Earners by Gender

	April 2012 - March 2013	April 2013 - March 2014
Fenale	67 1%	60.5%
Male	32.9%	39.5%
Total	100.0%	100.0%

Not elsewhere classified

Methodology

The data for this profile are gathered from the Labour Force Survey (LFS) conducted by Statistics Canada. Each month, the Labour Economics and Statistics Unit of Jobs Skills training and Labour receives LFS files from Statistics Canada. This includes a microdata file, which contains the complete file of all LFS responses.

The minimum wage analysis is performed on the microdata using the statistical software package SAS. The Canadian territories are excluded from this analysis. Twelve-month averages are used to ensure the results are not affected by seasonality. The microdata files for each of the twelve months examined are combined into one large data set and annual averages are then calculated. In this profile, the results are an average of the April 2013 to March 2014 numbers.

Minimum wage rates often change; therefore the minimum wage profile will differ from one report to the next.

Occupational and industrial classifications were based on the following.

National Occupational Classification for Statistics 2006

http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=12-583-X

North American Industry Classification System - Canada 2007

http://www.statean.gc.ca/pub/12-501-x/12-501-x2007001-eng.pdf

All data on the number of minimum wage earners and their characteristics are from Statistics Canada, Labour Force Survey microdata files.

Definitions

These definitions are from Statistics Canada, except for "Employees" and the occupational and industrial groups.

Employees

In this analysis, people who were either selfemployed or listed as having an hourly wage rate of \$0.00 were removed from the overall employment figure to determine the number of employees. Employees working greater than 44 hours were also excluded from the analysis. Please note that the number of employees in organizations is different from the employment figure for Alberta.

Full-Time Employees

People who usually work 30 hours or more per week at their main or only job.

Minimum Wage Earner

People who carned minimum wage or less. Some employees fall outside the scope of the Employment Standards Code's minimum wage provisions and may earn less than minimum wage. See Section 8 of the Employment Standards Regulation and section 2(3)(g) of the Code for more information.

Occupations in Social Science, Government Service and Religion

Occupations in this major group include Recreation, sports and fitness program supervisors and Early childhood educators and assistants.

Other Services (except Public Administration) Industry

Consists of establishments engaged in repairing or performing general maintenance on motor vehicles, machinery, equipment, and other products; providing personal care services, funeral services, laundry services and other services to individuals, such as pet care services and photo finishing services; organizing and promoting religious activities, supporting various causes through grantmaking, advocating (promoting) social and political causes, and promoting and defending the interests of their members. Private households are also included.

Part-Time Employees

People who usually work less than 30 hours per week at their main or only job.

Permanent Job

A permanent job is one that is expected to last as long as the employee wants it, given that business conditions permit. There is no pre-determined termination date.

Sales and Service Occupations n.e.c.

Occupations in this major group are primarily concerned with providing services <u>not elsewhere classified</u> in other Sales and service occupational groups, non-store retail sales not elsewhere classified and providing services related to sales. Examples of occupations in this category include Attendants in recreation and sport as well as supervisors.

Temporary Job

A temporary job has a predetermined end date, or will end as soon as a specified project is completed. Included in temporary jobs are seasonal, temporary, term or contract jobs; also include work done through a temporary help agency; casual jobs; and other temporary work.

Wage

Hourly wage/salary before taxes and other do actions, and include tips and commissions. Because tips and commissions are included, the analysis may not include all minimum wage earners.

Appendix B

Fact Sheet: Minimum Hourly Wage Rates

Jurisdiction	Current Rates i	Effective Date	Other	Effective Date				
NU	\$11.00	January 1, 2011						
YK	\$10.54	April 1, 2013						
NS	\$10.30	April 1, 2013	\$9,90 ii	April 1, 2013				
BC	\$10,25	May 1, 2012	\$9.00 ⁱⁱⁱ	May 1, 2013				
ON	\$10.25	March 31, 2010	\$9,60 iv	March 31, 2010				
			\$8.90 °	March 31, 2010				
MB	\$10.45	October 1, 2013						
QC	\$10.15	May 1, 2013	\$8.75 vi	May 1, 2013				
NB	\$10.00	April 1, 2012						
NI.	\$10.00	July 1, 2010						
NT	\$10.00	April 1, 2011						
PE	\$10.00	April 1, 2012						
SK	\$10.00	December 1, 2012						
AB vii	\$9.95	September 1, 2013	9.05 viii	September 1, 2009				

Source: Labour Law Analysis

Employment Standards Policy and Legislation Labour Program,

Notes:

establishment. This includes bartenders, waiters and waitresses.

In many jurisdictions, special minimum, wage rates apply to certain specific occupations (e.g., domestics, salespersons, crop harvesters and employees who usually receive gratuities).

[&]quot;In Nova Scotia, the term refers to those who have not been employed for more than three months by any employer to do the work for which they are presently employed.

[&]quot; liquor servers.

^{**} These rates apply to students under 18 who are employed up to 28 hours in a week, or during a school holiday.

^{*} liquor servers.

of for employees receiving tips.

The for employees receiving tips.

The for employees receiving tips.

The formula of the construction of the con will be a simple average of changes to Alberta's average weekly earnings and changes to the Consumer Price Index in Alberta.

****In Alberta, liquor servers are defined as employees who serve alcohol to customers as a regular part of their job in a licensed

Appendix C

The following minimum wage comparison table factors in taxes (as of October 1, 2014) and then ranks the provinces with the highest to the lowest after tax wage rate. Please note that this table and the graph below it are based on the minimum wages as of October 1, 2014.

Minimum Wage Comparisons October 2014

* For Single Income Earners

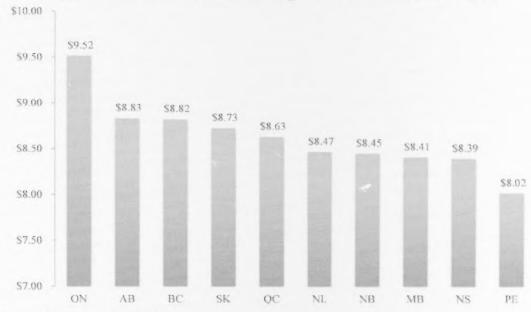
		AB		BC		SK		MB		ON		QC		NB		NS		PE		NL
Minimum Wage Rate	\$	9.95	\$	10.25	\$	10.20	\$	10.45	\$	11.00	\$	10.35	\$	10.00	\$	10.40	\$	10.00	\$	10.25
Salary (2000 hrs)	\$	19,900	\$	20,500	\$	20,400	\$	20,900	\$	22,000	\$	20,700	\$	20,000	\$	20,800	\$	20,000	\$	20,500
Federal Tax	\$	2,142	\$	2,276	\$	2,253	\$	2,345	\$	2,628	\$	2,394	\$	2,163	\$	2,331	\$	2,145	\$	2,268
Personal Income Tax		\$967		\$1,051		\$1,037		\$1,107		\$1,261		\$1,067		\$981		\$1,093		\$981		\$1,051
CPP/EI/QPP		\$1,186		\$1,227		\$1,220		\$1,254		\$1,329		\$1,323		\$1,193		\$1,247		\$1,193		\$1,227
GST		(\$11)		(\$2)		(\$5)		(\$16)		\$38		\$4		(\$11)		(\$9)		(\$29)		(\$10)
Provincial Tax	\$	93	\$	581	\$	695	\$	1,737	\$	341	\$	1,045	\$	939	\$	1,680	\$	1,819	\$	1,299
Personal Income Tax		\$93		\$141		\$180		\$1,115		\$556		\$432		\$165		\$708		\$1,088		\$524
Sales Tax		\$0		\$440		\$515		\$621		(\$334)		\$534		\$774		\$972		\$731		\$775
Health Care Premium		\$0		\$0		\$0		\$0		\$120		\$80		\$0		\$0		\$0		\$0
Summary																				
Before Tax Ranking		10		5		7		2		1		4		8		3		8		5
Total Tax	\$	2,235	\$	2,857	\$	2,948	\$	4,082	\$	2,970	\$	3,439	\$	3,102	\$	4,012	\$	3,964	\$	3,567
After Tax Salary	\$	17,665	\$	17,643	\$	17,452	\$	16,818	\$	19,030	\$	17,261	\$	16,898	\$	16,788	\$	16,036	\$	16,933
After Tax Wage Rate	\$	8.83	\$	8.82	\$	8.73	5	8.41	\$	9.52	\$	8.63	\$	8.45	\$	8.39	\$	8.02	\$	8.47
After Tax Ranking		2		3		4		8		1		5		7		9		10		6
Based on the best information	available	e as of	-	April 4 2014	f	or the:		2014	nr	nvincial tax	/ ev	stems M	inim	ım w age	rate	e ac of	Oct	oher 1 20	114	

NOTE: This comparison assumes that all income is from employment and only personal, CPP, and El credits are claimed. No shifting assumptions are made.

This analysis was done using the 2014 tax systems of each province known as of April 4, 2014 - any changes to those systems will impact this analysis.

Appendix C (Continued)

Provincial After Tax Minimum Wage rates as of March 31st 2014



Source: Alberta Treasury Board and Finance

Call us or visit our website for more information or to find the following publications:

- 2013 Annual Alberta Labour Market Review
- Monthly Alberta Labour Force Statistics Highlights and Packages
- Alberta's Occupational Demand and Supply Outlook
- Alberta Labour Force Profiles
- Alberta Industry Profiles

www.work.alberta.ca/labour.html (see Labour Market Information)

In Edmonton: 780.422.4266 Long distance: 1.800.661.3753

© 2014 Government of Alberta. Published: April 2014. ISBN 978-1-4601-1660-9 ISSN 2292-9223